

BILL NUMBER: AB No. 1111

TOPIC:

Energy: California Alternative Energy and Advanced Transportation Financing Authority

TITLE:

An act to amend Section 26003 of, and to add Section 26011.7 to, the Public Resources Code, relating to energy

AUTHOR:

Assembly Republican Leader Sam Blakeslee

Introduction

On August 27, 2009, Governor Arnold Schwarzenegger and Treasurer Bill Lockyer sent a letter to legislative leaders urging them to support Assembly Bill 1111. This bill could help keep some of the 4,700 New United Motor Manufacturing, Inc. (NUMMI) jobs in California. It could provide a critical incentive to attract a new, clean-tech manufacturer into the NUMMI facility by exempting new manufacturing equipment for clean technology companies from sales tax.

Background

The California Alternative Energy and Advanced Transportation Financing Authority Act established the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA). The authority is authorized to do all things necessary and convenient to carry out the purposes of the act. It is also required to establish a renewable energy program to provide financial assistance to:

- Generate new and renewable energy sources;
- Develop clean and efficient distributed generation; and
- Demonstrate the economic feasibility of new technologies.

Assembly Bill No. 1111

Section 1. Section 26003 of the Public Resource Code is amended

The bill amended parts are as follows: 1) Changed the term 'board' to 'authority;' 2) Added "*Purchases, sales, or lease arrangements that qualify for exclusion from sales and use tax pursuant to Section 6010.8 of the Revenue and Taxation Code;*" and 3) Included as project, machinery or equipment that it utilized for the design, technology transfer, manufacture, production, assembly, distribution, or service of an alternative source component.

Section 2. Section 26011.7 of the Public Resource Code is added

The bill would provide a "financial assistance" to promote the creation of jobs and reduction of greenhouse gases. The authority may approve a project for which the purchases, sales, or lease arrangements qualifies for exclusion from the Sales and Use Tax Law. It is a requirement to consider specified criteria in approving a project that qualifies for exclusion. When the approved projects exceed \$100,000,000 annually, it is required to provide a 20-day notice to the Legislature for additional project approval.

Vote: majority

Appropriation: no

Fiscal committee: yes

State-mandated local program: no

Last amended date: May 13, 2009